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C O N F I D E N T I A L SECTION 01 OF 02 ROME 005079

SIPDIS

E.O. 12958: DECL: 10/17/2007

TAGS: [PREL](#) [ENRG](#) [EAID](#) [PARM](#) [KN](#) [ENRG](#) [EAID](#) [PARM](#) [KN](#) [ITPREL](#)

SUBJECT: NORTH KOREANS SIGNAL NEW OPENNESS AT ENERGY

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CONFERENCE IN COMO, ITALY

CLASSIFIED BY: POLMINCOUNS T. COUNTRYMAN FOR REASONS 1.5 (B) AND (D)

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SUMMARY  
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1. AT A RECENT CONFERENCE IN ITALY ON NORTH KOREAN ENERGY NEEDS, THE DPRK DELEGATION APPEARED TO SIGNAL UNUSUAL OPENNESS. ITS PRESENCE AT A CONFERENCE WITH USG AND ROK REPRESENTATIVES WAS ITSELF REMARKABLE, AND ITS FRANK DISCUSSION OF SHORTCOMINGS AND REFORMS WAS MORE SO. DPRK REPRESENTATIVES HOPED FOR BUT FAILED TO OBTAIN AID ASSURANCES. IN A MEETING AT THE MFA, EAST ASIAN DIRECTOR MARIO ROSSO AND INR TDYER ALLISON HOOKER SHARED INFORMATION ABOUT THE POSITIVE VISIT BY JAPANESE PM JUNICHIRO KOIZUMI TO THE DPRK, AS WELL AS THE USG'S AND GOI'S RESPECTIVE CONCERNS ABOUT PROLIFERATION. ROSSO OBSERVED THAT THE DPRK'S CHARM OFFENSIVE IS AIMED AT OBTAINING AID, PARTICULARLY FOR A TECHNOLOGY CENTER. THIS ITSELF INDICATES MATURATION ON THE PART OF THE REGIME, WHICH APPEARED TO BE SEEKING WAYS TO END ITS ISOLATION. ROSSO REQUESTED ONGOING CONSULTATION WITH THE U.S. ON THE DPRK. END SUMMARY.

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CONFERENCE PROVIDES FRANK DISCUSSION ON ENERGY, U.S. POLICY  
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2. (C) INR/EAP TDYER ALLISON HOOKER AND EMBASSY ESTOFF LORENZO MARTINI ATTENDED A COMO, ITALY CONFERENCE ON  
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SEPTEMBER 19 AND 20 ENTITLED "DPR OF KOREA: UPGRADING AND INTEGRATING ENERGY SYSTEMS." ORGANIZED BY THE LANDAU NETWORK OF CENTRO VOLTA (LNCV) AND SUPPORTED BY THE MFA, THE CONFERENCE WAS DESIGNED TO BRING TOGETHER NORTH AND SOUTH KOREAN ENERGY EXPERTS WITH WESTERN COUNTERPARTS. THIS WAS NO EASY TASK. THE ORGANIZATION'S SECRETARY GENERAL, MAURIZIO MARTELLINI, WORKED FOR OVER A YEAR TO GET THE DPRK TO ACCEPT HIS INVITATION. (LNCV IS AN ITALIAN POLICY THINK TANK ON ARMS CONTROL, COUNTER-PROLIFERATION AND WMD DISARMAMENT THAT FREQUENTLY PROVIDES CONSULTANT CONTRACTOR SERVICES TO THE MFA. IT IS ALSO WORKING ON PROLIFERATION ISSUES IN INDIA/PAKISTAN AND IRAN.)

3. (C) HAVING ACCEPTED, HOWEVER, THE DPRK REPRESENTATIVES PREPARED THOROUGHLY AND BROUGHT SPECIFIC PROPOSALS BASED ON THE LATEST RESEARCH. MORE THAN ADVICE, THEY WERE HOPING THAT WESTERN GOVERNMENTS WOULD FIX THEIR ENERGY PROBLEMS OR AT LEAST PROVIDE A \$50,000 GOI/EU AID PACKAGE. THAT WAS NOT TO BE. THE CONFERENCE WAS AIMED AT DISCUSSING POTENTIAL TECHNICAL SOLUTIONS, NOT INTENSIVE ASSISTANCE. NONETHELESS, THE DPRK REPS SHOWED AN UNUSUALLY OPEN AND FRANK Demeanor BOTH IN THEIR PRESENTATIONS AND IN SIDELINE DISCUSSIONS WITH HOOKER.

4. (C) DURING THE CONFERENCE, A NON-PROFIT AMERICAN THINK TANK WAS THE ONLY PARTICIPANT TO RAISE THE SENSITIVE SUBJECT OF THE DPRK'S NUCLEAR ENERGY PROGRAM AND WEAPONS PROLIFERATION. AT A CONCLUDING ROUNDTABLE, U.S. POLICY WAS TAKEN TO TASK FOR DELAYING THE LIGHT WATER REACTOR PROJECT, PUSHING THE NUCLEAR AND PROLIFERATION ISSUES, AND PROHIBITING NGO WORK ON DPRK  
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ENERGY PROGRAMS.

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MFA: DPRK OPENING TO THE WORLD  
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5. IN A SEPTEMBER 24 MEETING WITH MFA DIRECTOR FOR EAST ASIAN AFFAIRS RENZO MARIO ROSSO, HOOKER AND ROSSO EXCHANGED INFORMATION ABOUT THE OPENNESS DISPLAYED BY THE DPRK AT THE CONFERENCE. HOOKER NOTED THAT KIM SONG, THE DELEGATION'S HEAD, SET THE EXAMPLE FOR AN UNUSUALLY OPEN DIALOGUE BY SPEAKING FRANKLY ABOUT THE DILAPIDATED CONDITION OF THE DPRK INFRASTRUCTURE. EACH DPRK PRESENTER DISCUSSED HIS/HER RESEARCH FREELY AND ANSWERED QUESTIONS DIRECTLY, WITHOUT WAITING FOR GUIDANCE. MOREOVER, THE DELEGATION SPOKE OPENLY ABOUT ECONOMIC PROBLEMS, USING THE WORD "REFORM," PERHAPS FOR

THE FIRST TIME, IN PUBLIC.

16. (C) ROSSO, WHO HAD NOT ATTENDED THE CONFERENCE, SHARED INFORMATION WITH HOOKER FROM THE CONFIDENTIAL READOUT HE HAD RECEIVED FROM CONFERENCE ORGANIZER MARTELLINI. THE NORTH KOREANS OPPOSED THE CONGRESSIONAL MANDATE LINKING THE BUILDING OF LIGHT-WATER REACTORS TO NUCLEAR INSPECTIONS BY THE IAEA. NONETHELESS, THEY SEEMED READY TO ACCEPT THE INSPECTORS. HOOKER NOTED THAT IN HER SIDE CONVERSATIONS WITH THE DELEGATION, SHE HEARD THE DPRK WAS LOOKING FOR ASSURANCES

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ACTION EUR-00

INFO	LOG-00	NP-00	AID-00	CEA-01	COME-00	CTME-00	INL-00
	C-00	DINT-00	DODE-00	DOEE-00	SRPP-00	DS-00	EAP-00
	EB-00	EXIM-01	E-00	FBIE-00	VC-00	FRB-00	H-01
	TEDE-00	INR-00	IO-00	ITC-01	LAB-01	L-00	CAC-00
	VCE-00	AC-01	DCP-01	NRRC-00	NSAE-00	NSCE-00	OCS-03
	OES-01	OIC-02	OMB-01	OPIC-01	PA-00	PM-00	PRS-00
	ACE-00	P-00	SCT-00	SP-00	IRM-00	SSO-00	SS-00
	STR-00	TRSE-00	T-00	USIE-00	R-00	EPAE-00	SSD-00
	PMB-00	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00	SAS-00

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R 171355Z OCT 02  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 6387  
INFO AMEMBASSY BEIJING  
AMEMBASSY CANBERRA  
AMEMBASSY SEOUL  
AMEMBASSY TOKYO  
AMCONSUL FLORENCE  
AMCONSUL MILAN  
AMCONSUL NAPLES  
CIA WASHDC

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THAT AFTER INSPECTIONS THE PROJECT WOULD BE COMPLETED WITHOUT FURTHER CONDITIONS. HER NORTH KOREAN INTERLOCUTORS ALSO DISCUSSED INTERNAL OPPOSITION TO REFORM, AND THEIR HOPE FOR RAPID PROGRESS ON THE ISSUE IN ORDER TO OVERCOME OBJECTIONS RAISED BY HARD-LINERS.

17. (C) RELATIONS BETWEEN THE DPRK AND JAPAN WERE ON THE UPSWING AFTER THE VISIT OF KOIZUMI, ROSSO STATED. IN THE OFFING WERE NEW COMMERCIAL DEALS, INFORMATION ABOUT JAPANESE ABDUCTEES, AND FURTHER DISCUSSION OF THE EXTRADITION TO JAPAN OF JAPANESE RED ARMY (JRA) MEMBERS. ON THE MARGINS OF THE CONFERENCE, DELEGATION MEMBERS HAD EXPRESSED THEIR HOPE THAT THE RETURN OF JRA MEMBERS WOULD RESULT IN THE REMOVAL OF THE DPRK FROM THE U.S. LIST OF STATE SPONSORS OF TERRORISM.

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WHAT IS PYONGYANG AFTER--AND WHAT WILL IT DO TO GET IT?  
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18. (C) ACCORDING TO ROSSO, THE DPRK IS SEEKING AID AND TECHNICAL ASSISTANCE FOR ENERGY AND ENVIRONMENTAL MANAGEMENT, AS WELL AS THE ACTIVATION OF A SUBSTANTIAL EU SCHOLARSHIP PROGRAM FOR RESEARCHERS. IN PARTICULAR, PYONGYANG WANTS FUNDING TO BUILD A PLANNED INFORMATION TECHNOLOGY CENTER.

19. (C) IT APPEARS THAT TO OBTAIN THESE, NORTH KOREA MAY BE SEEKING TO ASSUAGE INTERNATIONAL CONCERNS ABOUT WEAPONS PROLIFERATION. ROSSO RECALLED THAT DURING KOIZUMI'S VISIT,

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THE DPRK ANNOUNCED A MORATORIUM AFTER 2003 ON ALL MISSILE PRODUCTION AND TESTING. IN EXCHANGE FOR MODERNIZATION AID, HE BELIEVES, THE DPRK IS READY TO BAN THE PRODUCTION AND EXPORT OF MEDIUM AND LONG-RANGE BALLISTIC MISSILES. HOWEVER, HOOKER NOTED THAT THE USG IS CURRENTLY NOT SUPPORTIVE OF PROVIDING COMPENSATION FOR ASSURANCES THAT MISSILE PRODUCTION WILL CEASE, AND SAID THAT SHE WAS UNAWARE OF ANY USG PLANS TO ASSIST IN BUILDING THE TECHNOLOGY CENTER.

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RESPONDING TO THE NEW AND IMPROVED DPRK  
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110. (C) ROSSO AGREED THAT THE TECHNOLOGY CENTER IDEA WAS "TOO NEW" BUT OBSERVED THAT THE DIFFUSION OF TECHNOLOGY WAS NECESSARY FOR POLITICAL AND ECONOMIC MODERNIZATION. THE FACT THAT PYONGYANG WAS PURSUING THIS APPROACH INDICATED THAT EITHER THE REGIME WAS MORE CONFIDENT THAN BEFORE OR HAD REALIZED THAT TECHNOLOGY WAS IN ITS INTERESTS. HOOKER OBSERVED THAT OTHER COUNTRIES, SUCH AS RUSSIA, WERE INTERESTED IN VARIOUS DEVELOPMENT PROJECTS FOR NORTH KOREA BUT FINDING MONEY FOR THOSE PROJECTS WAS A MAJOR PROBLEM. HOWEVER, BECAUSE NORTH KOREA HAD BEEN WILLING TO RESPOND TO JAPANESE CONCERNS ABOUT ABDUCTEES, JAPAN MIGHT BE WILLING TO PUSH THE ASIAN DEVELOPMENT BANK TO FUND DPRK PROJECTS.

111. (C) ROSSO STATED THAT HE WAS INTERESTED IN PERIODICALLY CONSULTING AND COORDINATING POLICIES ON THE DPRK, GIVING HOOKER AN OPENING TO ASK WHY NORTH KOREA WAS IMPORTANT TO ITALY. GIVING HIS "PERSONAL OPINION," ROSSO REPLIED THAT ORIGINALLY THE IDEA OF NEW DIPLOMATIC CHANNELS (I.E.,  
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OFFICIALLY RECOGNIZING THE DPRK) WAS A BIPARTISAN ONE LED BY THE FORMER CENTER-LEFT FONMIN, LAMBERTO DINI. HOWEVER, THE CURRENT CENTER-RIGHT GOVERNMENT WAS COOLER TO NORTH KOREA, CONCERNED ABOUT CONTRADICTING THE U.S. STAND ON THE "AXIS OF EVIL," AND THUS NOT PARTICULARLY ENGAGED. AN MFA OFFICER WHO JOINED THE MEETING BRIEFLY ADDED THAT EUROPE WAS TRYING TO FIND A STRATEGY IN RESPONSE TO THAT DECLARATION. THE QUESTION WAS WHETHER TO TRY TO BALANCE PRESIDENT BUSH'S APPROACH OR SUPPORT IT. ROSSO AGREED THAT THE EU POLICY WAS IN FLUX. IN THE PAST, THE EU'S ROLE WAS TO PURSUE DIALOGUE WITH THE DPRK. "IT WAS THE BEST WE COULD DO AT THE TIME," HE SAID.

112. (C) IN CONTRAST TO THE PERIOD OF OVER A YEAR IN WHICH THE DPRK SITUATION WAS PRACTICALLY STUCK, ROSSO SUMMARIZED, NOW NORTH KOREA WAS GIVING POSITIVE SIGNALS AND SEEKING DIALOGUE AND REESTABLISHED LINKS WITH SOUTH KOREA. WHILE THIS AND KOIZUMI'S VISIT SUGGEST A THAWING, SETBACKS COULD STILL EMERGE. HOOKER AGREED, REMEMBERING THE NAVAL CLASH WITH SOUTH KOREA ON JUNE 29 THAT PROBABLY DISRUPTED THE DPRK'S PLANS TO ANNOUNCE CHANGES. SHE STATED THAT POLICY MAKERS HAVE BEEN WATCHING WITH INTEREST THE RECENT CHANGES IN THE DPRK AND CONSIDERING HOW TO MOVE AHEAD WITH US-DPRK RELATIONS. NOTING THAT THE GOI AND PRC HAD RECENTLY AGREED TO SHARE INFORMATION ON THE DPRK, ROSSO REPEATED THAT HE HOPES TO CONTINUE CONSULTATIONS WITH US AS WELL.  
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